



Mitch O'Farrell <mitch.ofarrell@lacity.org>

Fwd: Apple store opening in DTLA

1 message

Daniel Halden <daniel.halden@lacity.org>

Tue, May 10, 2016 at 6:23 PM

To: Councilmember Mitch O'Farrell <mitch.ofarrell@lacity.org>, Jeanne Min <jeanne.min@lacity.org>, Chris Robertson <chris.robertson@lacity.org>

Hi all-

See attached from Marty re: Apple Store plus CUPs in Hollywood.

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Sent from my iPhone

Begin forwarded message:

From: "Marty Shelton" <mshelton@naicapital.com>

Date: May 10, 2016 at 5:47:54 PM PDT

To: "Gubler, Leron" <Leron@hollywoodchamber.net>, "Kerry Morrison" <Kerry@hollywoodbid.org>, "Joseph Mariani" <joe@hollywoodbid.org>, "Dwayne Gathers" <dgathers@aathersstrategies.com>, "Fariba Kalantari" <hollywooddentalcare@earthlink.net>, "Beth Marlis" <BMarlis@hollywoodoffices.com>, "Brian Folb" <Brian@hollywoodoffices.com>, "Daniel Halden" <daniel.halden@lacity.org>, "Donelle Dadigan" <Donelle@dadigan.com>, "Jeff Zarrinam" <jeff@hollywoodhotel.net>, "Mark Panatier" <mpanatier@afgilmore.com>, "Christopher Barton" <chris@hudsonppi.com>, <fabio@fabiolus.com>, "Bill Roschen" <roschen@rvca.org>, "Michael Gonzales" <mgonzales@gonzaleslawgroup.com>, "Heather Cochran" <cochran@televisionacademy.com>, "Mihalka, Nicole" <Nicole.Mihalka@am.jll.com>, "Jeffrey C Briggs" <jbriggs@jbriggslaw.com>

Subject: Apple store opening in DTLA

FYI – see the attached article about Apple opening in DTLA. I went to a nightclub revocation of its CUP hearing today. The atty for the property owner testified it would be a hardship on the owner to lose their precious nightclub CUP. I get the business end of the atty's testimony but behind it in my opinion owners like this one (Cosmos Nightclub) and others in Hollywood just don't get the tremendous opportunity that awaits them if they would just clean-up their act (and their properties).

Marty Shelton - Vice President

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Apple Nabs Retail Space in Downtown Los Angeles

By DAINA BETH SOLOMON

Originally published May 10, 2016 at 2:51 p.m., updated May 10, 2016 at 4:09 p.m.

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Apple is in the process of securing a lease for retail space at the historic Tower Theater downtown at 800 S. Broadway.

Apple Inc. is in the process of securing a lease for retail space at the historic Tower Theater downtown, according to sources familiar with the transaction. When complete, the lease for an Apple store at the building, at 800 S. Broadway, could spark dramatic changes along a corridor that has long been in flux.

"If you have a retailer like Apple that comes to Broadway, everyone else will follow," said Jones Lang LaSalle agent Lorena Tomb. "It's going to push rents up, and it's going to change the entire street."

Terms of the deal could not be determined. Apple said it has not made any announcements about a store at that location. The brokerage reportedly representing Apple, Robert K. Futterman & Associates, did not immediately respond to a request for comment.

The stretch of Broadway between First Street and Olympic Boulevard has roughly 250,000 square feet of vacant retail space, despite being populated recently by retailers such as Urban Outfitters, Gap Outlet, Acne Studios, and Oak. The presence of an Apple store could be the spark that reshapes the area.

"If Apple were to go in, I think you would see it start to take shape similar to other strong retail corridors like the Third Street Promenade (in Santa Monica), and Colorado (Avenue) in Pasadena," said Avison Young broker Derrick Moore, who helped bring in Whole Foods to a downtown location close to Broadway.

The Tower Theater was built in 1927 with ornate Renaissance Revival exteriors. Its interior, styled after the Paris Opera House, contains about 7,500 square feet of theater space and another 7,500 square feet of basement space. It was not immediately clear how much space Apple would be taking. The building also has street-front spaces along Eighth Street occupied by small retailers on short-term leases that could be made available to Apple.

Apple had been in the market for retail space downtown for months, and virtually all of downtown's brokers and landlords had clamored to attract the tech giant. Only a handful of locations were said to be seriously in the running, all historic sites on Broadway.

"Apple is known to do things that are outside-of-the-box and unorthodox," said broker Gabe Kadosh of Colliers International. "It creates a bigger splash by going in a historic building."

Part of the splash would be to push up the surrounding rents, which currently range from \$1.50 to \$4.50 a square foot, depending on the block.

"When it becomes fully known, the pricing is going to skyrocket," said Kadosh.

The Tower Theater would become Apple's most distinctive site in Los Angeles, and possibly one of its most unique nationwide. Apple's local stores are within tried-and-true shopping zones at the Glendale Galleria, Americana at Brand, Beverly Center, Westfield Century City, Grove, Third Street Promenade, and on Colorado Boulevard in Pasadena.

